

**BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2011-47-WS
OCTOBER 6, 2011**

		<u>PROPOSED ADDENDA</u>
		<u>TO THE</u>
IN RE:)	ORDER RULING ON
Application of Carolina Water Service,)	APPLICATION FOR RATE
Inc., for Approval of an Increase in Its)	INCREASE
Rates for Water and Sewer Services)	
Provided to All of Its Service Areas in)	
South Carolina		

I. INTRODUCTION

This matter is before the Public Service Commission of South Carolina (“the Commission”) on the application of Carolina Water Service, Inc. (“CWS”) filed on April 15, 2011 seeking approval of a new schedule of rates and charges for water and sewer service that CWS provides to its customers in South Carolina. The application was filed pursuant to SC Code Section 58-5-240 and 26 SC Code Regs. 103-712,4.A. and 103.512.4.A.

By letter dated April 26, 2011, the Commission’s Docketing department instructed CWS to prepare a Notice of Filing, one time, in newspapers of general circulation in the area affected by CWS’s Application. The Notice of Filing was published according to the Commission’s instructions. Customers of CWS were also notified directly by US mail.

The Forty Love Point homeowners’ board intervened in this matter in a timely manner following the Notice of Filing published by CWS. The Forty Love Board was represented by attorney Laura P. Valtorta.

Prompted by problems in service and water quality, Forty Love presented testimony at the hearing from witnesses Nancy Williamson, Kim Nowell, and Frank Rutkowski. (Other Forty Love residents filed Letters of Protest.) These witnesses testified about the poor quality of water in the Forty Love neighborhood, including brown water, gritty water, undrinkable and unpalatable water that ruined plumbing fixtures and clothing and required customers to purchase bottled drinking water and filters. Forty Love witnesses also complained about the excessive cost of this unpalatable water.

The testimony of such CWS witnesses as Bob Gilroy and Patrick Flynn revealed that CWS had attempted to correct the water problems in Forty Love Point neighborhood without success.

II. CONCLUSION

CWS shall not be allowed to collect additional revenues in South Carolina until they have accomplished the following.

- A. CWS shall establish a service office in South Carolina.
- B. CWS shall offer the Forty Love Point Homeowners' Association two proposals for a change in water and sewer service in that neighborhood. The first proposal shall be for a pass-through bulk water system, with water to be provided by the City of Columbia. The proposal shall include details about the base rates to be charged for water and sewer service and rates for water consumed. CWS shall not bill the Forty Love neighborhood more than 7% of household consumption for unaccounted-for water. There shall be no initial fees or start-up costs for this change in service.

CWS shall present a second proposal for Forty Love to hook up to the City of Columbia for direct water and sewer service from the City of Columbia. This proposal shall allow the Forty Love neighborhood to have fire hydrants, and to deal directly with the City of Columbia for all future water and sewer needs. Any initial start-up costs, including hook-up costs, that exceed \$1,000 (one thousand dollars) per household shall be absorbed by CWS and/or the City of Columbia.

Forty Love shall be given at least six months to consider these proposals from the date they are offered.

C. CWS shall complete an AWWA compliant water audit within twelve months from the date of this order and report the results to this Commission and to the Office of Regulatory Staff.

D. For customers who receive their water directly from CWS (and not a bulk water provider) CWS shall provide a copy of its annual water quality report to each customer by U.S. mail, rather than simply referring the customer to the company's website. The water quality report shall also be available on the company's website.

Whenever water quality issues occur in a neighborhood, such as (but not limited to) the presence of arsenic, iron bacteria, excessive amounts of manganese, or an excessive level of radioactive materials in the water, customers serviced by that CWS well or source of water shall be informed of this problem as soon as CWS detects the problem, both by United States mail, and by notifications from the customer service office.

E. CWS shall bill and collect based upon the customer's usage of water at the meter, only.

D. Any additional revenue that CWS may be able to collect in the future shall not exceed a return on rate base of 7.8 %

BY ORDER OF THE COMMISSION:

John E. Howard, Chairman

David Wright, Vice-Chairman